

THE JAMES MADISON INSTITUTE

"Trusted Solutions for a Better Florida"

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JMI Releases Study on Economic Impact of Cap-and-Trade Legislation

TALLAHASSEE – As world leaders meet in Copenhagen for the United Nations Climate Conference, U.S. leaders continue to debate cap-and-trade legislation. Legislation such as the Waxman-Markey “American Clean Energy and Security Act” aims to reduce greenhouse gas (GHG) emissions through a system in which U.S. producers purchase tradable permits to emit greenhouse gases – essentially a “carbon tax.”

Adjunct Scholar Paul Bachman, author of JMI’s latest Backgrounder, **“The Economic Effects of Proposed Cap-and-Trade Legislation on the State of Florida,”** employs established computer modeling capabilities to estimate the economic effects on Florida should cap-and-trade legislation be enacted including:

- Increased energy prices – additional \$7.14 billion in 2020 and additional \$62.591 billion by 2050
- Lost jobs – 49,214 jobs by 2020 and 570,748 by 2050
- Miniscule impact on global emissions-- .14% minimum to .57% maximum

“Policies intended to reduce GHG emissions at the national or state level are problematic for two reasons: the reductions efforts are diluted because only a portion of total global emissions are affected and the costs are borne solely by the national or state entities.” –**Paul Bachman, JMI Adjunct Scholar and Beacon Hill Institute Director of Research**

“Given Florida’s geography, location of major population centers and limited affordable renewable energy resources, national or state cap-and-trade legislation would inflict large, disproportionate negative impacts on the economy of Florida – perhaps even a transfer of wealth to better-positioned regions.” – **Bob McClure, James Madison Institute President and CEO**

This and other JMI publications are available on-line at www.jamesmadison.org. To comment or request a copy, contact Tanja Clendinen at 850.383.4633 (toll free 1.866.340.3131) or Tanja@jamesmadison.org.